No. 82-1685

In the Supreme Court of the United States

OCTOBER TERM, 1983

MULTISTATE LEGAL STUDIES, INC., PETITIONER

v.

DAVID L. LADD, REGISTER OF COPYRIGHTS, ET AL.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

BRIEF FOR THE FEDERAL RESPONDENT IN OPPOSITION

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QUESTION PRESENTED

Whether the Register of Copyrights' "secure test" regulations, which permit the creators of a test whose contents must be kept confidential to deposit an excerpt of the test sufficient to identify the copyrighted work in the public files of the Copyright Office, rather than depositing a copy of the entire test, are contrary to the Copyright Act or the Copyright Clause of the Constitution.

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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. A1-A20) is reported at 692 F.2d 478. The pertinent opinion of the district court is reported at 495 F. Supp. 34.

JURISDICTION

The judgment of the court of appeals was entered on November 2, 1982. A petition for rehearing was denied on January 18, 1983 (Pet. App. A21). The petition for a writ of certiorari was filed on April 12, 1983. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. Under the Copyright Act of 1976, 17 U.S.C. (Supp. V) 101 *et seq.*,[1] the owner of a copyright may register his copyright claim at any time during the term of the copyright by filing a registration application with the Copyright

[1]All citations to the codified Copyright Act are to Supp. V.

Office along with a deposit of the work. 17 U.S.C. 408(a). While registration is permissive, the claimant may not maintain an infringement action unless he has registered his copyright. 17 U.S.C. 411. Ordinarily, the deposit that the claimant is required to make consists of one complete copy of the work if it is unpublished and two complete copies of the best edition of the work if it is published. 17 U.S.C. 408(b). However, the Act grants the Register of Copyrights authority to alter this requirement in appropriate cases:

> The Register of Copyrights is authorized to specify by regulation the administrative classes into which works are to be placed for purposes of deposit and registration, and the nature of the copies or phonorecords to be deposited in the various classes specified. The regulations may require or permit, for particular classes, the deposit of identifying material instead of copies or phonorecords * * *.

17 U.S.C. 408(c)(1).

Deposits made under Section 408 become property of the United States and are available to the Library of Congress for its collection or, if the work is unpublished, may be placed in the National Archives or a federal records center. 17 U.S.C. 704(a) and (b).[2] The Register may also make a copy of the deposit and place the copy in the records of the Copyright Office. 17 U.S.C. 704(c). Any deposit not selected by the Library of Congress "shall be retained under the control of the Copyright Office * * * for the longest period considered practicable and desirable by the Register

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[2]Under certain circumstances, deposit of published works within three months of publication is required, whether or not the owner registers the work. 17 U.S.C. 407(a). The Register may exempt categories of material from this preregistration deposit requirement. 17 U.S.C. 407(b). The requirements of Section 704 apply to deposits made under both Section 407 and Section 408. 17 U.S.C. 704(a).

of Copyrights and the Librarian of Congress." 17 U.S.C. 704(d). Those officials then have "joint discretion * * * to order [the] destruction or other disposition" of the deposit. *Ibid.* These rules apply, however, only to deposits of published works. In the case of unpublished works

> no deposit shall be knowingly or intentionally destroyed or otherwise disposed of during its term of copyright unless a facsimile reproduction of the entire deposit has been made a part of the Copyright Office records * * *.

Ibid. Copyright Office records of deposits, as well as records of registrations and other actions, must be indexed and "shall be open to public inspection." 17 U.S.C. 705.

2. Organizations that administer examinations such as aptitude tests for college or graduate school admission frequently wish to keep the contents of those tests confidential so that no one can secure access to the questions or answers prior to taking the test. The creators of such tests frequently desire to secure a copyright in their tests. To accommodate these objectives, the Register adopted a procedure that permits the owners of a "secure test" [3] to register their copyright claims without having the questions and answers become part of the public records of the Copyright Office.

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[3]The regulations define "secure test" as follows (37 C.F.R. 202.20(b)(4)):

> A "secure test" is a non-marketed test administered under supervision at specified centers on specific dates, all copies of which are accounted for and either destroyed or returned to restricted locked storage following each administration. For these purposes a test is not marketed if copies are not sold but it is distributed and used in such a manner that ownership and control of copies remain with the test sponsor or publisher.

The pertinent regulation provides (37 C.F.R. 202.20(c)(2)(vi)):

> In the case of any secure test the Copyright Office will return the deposit to the appli cant promptly after examination: *Provided*, That sufficient portions, description, or the like are retained so as to constitute a sufficient archival record of the deposit.

3. The non-federal respondents, National Conference of Bar Examiners and Educational Testing Service, have developed a multiple choice examination known as the Multistate Bar Examination ("MBE"). The MBE is used by various state bar admission authorities as part of their testing of applicants for admission to the bar. Respondents have registered each edition of the MBE with the Copyright Office under the "secure test" procedures outlined in 37 C.F.R. 202.20(c)(2)(vi). The "sufficient archival record" of the MBE that the Copyright Office retains in each instance consists of the title page of the MBE and a narrow, diagonal strip from one page of each section of the test.[4]

Petitioner operates a program to prepare candidates for the MBE examination. Students in petitioner's program take a practice exam that petitioner calls the Preliminary Multistate Bar Examination ("PMBE"). At one time, petitioner claimed in its advertising that 120 of the 200 questions on the PMBE were "reconstructed" from the July 1978 edition of the MBE (Pet. App. A3).

4. In 1978, the non-federal respondents brought an action against petitioner in the United States District Court for the Northern District of Illinois, alleging that the use of these "reconstructed" questions infringed their copyright in the MBE. The complaint also charged that petitioner's use

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[4]A copy of such a deposit is reproduced at Pet. App. A22-A30.

of the title "Preliminary Multistate Bar Examination" constituted unfair competition and infringed respondents' trademark in the name "Multistate Bar Examination." Petitioner filed a counterclaim, alleging that respondents' copyrights in the MBE are invalid because the "secure test" procedure under which the MBE copyrights were registered is inconsistent with Section 704(d) of the Copyright Act and the Copyright Clause of the Constitution, Art. I, § 8, Cl. 8. The district court declined to address petitioner's counterclaim until petitioner joined the federal respondent, the Register of Copyrights, as a defendant on the counterclaim. 495 F. Supp. at 35.

After the Register was joined as a party, the district court granted the Register's motion to dismiss the counterclaim. 495 F. Supp. at 36-38. The court concluded that 17 U.S.C. 408(c)(1) "is sufficiently broad and specific to accommodate" the secure test registration procedure. 495 F. Supp. at 37. The court agreed with petitioner that the MBE is subject to the deposit retention requirements for unpublished works of 17 U.S.C. 704(d). The court observed, however, that Section 704(d) must be read in conjunction with Section 408(c)(1), which "permits the deposit of 'identifying material instead of copies.' " 495 F. Supp. at 38. Section 704(d) thus requires only retention of these identifying materials, not a complete copy of the work, the court reasoned. *Ibid.* The copyright registration of the MBE pursuant to the secure test procedure accordingly was valid, the court concluded, even though the Copyright Office does not retain the complete text of the test in its files.

Subsequently, the non-federal respondents moved to amend their complaint, abandoning the charge that petitioner's PMBE infringes their copyright in the MBE (Pet. App. A6). In their motion, which the district court granted, respondents stated that while an earlier version of the PMBE contained some questions that they believed were

"wrongfully derived from" the MBE, the 1980 version of the PMBE "did not reveal any additional use by [petitioner] of questions copied from [respondents'] examination," so that the alleged infringement "[did] not appear to be ongoing."[5] The district court thereafter granted judgment to the non-federal respondents on their unfair competition claim.

5. The court of appeals affirmed dismissal of petitioner's counterclaim (Pet. A1-A20). Initially, the court of appeals found that the counterclaim continued to present a live controversy even though the non-federal respondents had abandoned their claim that the PMBE infringes their copyright in the MBE (Pet. App. A7-A8). The court observed that no action for infringement could be maintained by the non-federal respondents absent valid registration of their copyright. Because petitioner "has a reasonable apprehension of liability for copyright infringement" (Pet App. A8), the court concluded that it was entitled to a determination of the validity of the secure test registration procedure.

The court of appeals upheld the secure test registration procedure, rejecting petitioner's contention that the Copyright Act requires the Copyright Office to retain a complete copy of a copyrighted work in its public records (Pet. App. A8-A9). The court held that, under 17 U.S.C. 408(c)(1), the Register may require deposit only of identifying material and that the "entire deposit" required to be retained under 17 U.S.C. 704(d) refers to the entirety of the identifying material deposited under Section 408(c)(1). The court of appeals also rejected petitioner's alternative argument that the Copyright Clause of the Constitution requires that the complete text of all copyrighted works must be made available to the public (Pet. App. A12-A16). Finally, the court of

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[5]Respondents' Motion to Amend Complaint, at 2-3.

appeals reversed the district court's ruling for the non-federal respondents on their unfair competition claim, concluding that the name Multistate Bar Examination consists of common terms that simply describe the examination and that the trade name is accordingly unprotected (*id.* at A16-A19).[6]

ARGUMENT

The decision of the court of appeals, upon which we rely, is correct and does not conflict with any decision of this Court or of any other court of appeals. No further review is warranted.

1.a. Contrary to petitioner's contention (Pet. 8-13), the Register's secure test registration procedure does not violate the requirement of 17 U.S.C. 704(d) that a copy of the "entire deposit" made in connection with registration of the copyright on an unpublished work be maintained indefinitely in the public records of the Copyright Office. As the court of appeals recognized, Section 704(d) requires that a copy of the "entire deposit" be maintained; it does not specify that a copy of the entire work be retained. And the deposit made for registration purposes need not be a copy of the entire work, because 17 U.S.C. 408(c)(1) authorizes the Register to establish administrative classifications for copyrightable works and to promulgate regulations that "require or permit, for particular classes, the deposit of identifying material instead of copies."

The Register's secure test registration procedure is entirely consistent with the statutory scheme. The Register requires deposit of an extract from the test registered sufficient to identify the work—in this case the title page together with a diagonal band of a representative page. The deposit of

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[6]No question is presented to this Court concerning this branch of the court of appeals' ruling.

identifying material is retained by the Register in conformity with 17 U.S.C. 704(d), and it has been made freely available to petitioner and any other interested party. Because the Register maintains in his public files a complete deposit in a form authorized by 17 U.S.C. 408(c)(1), return of the complete test to its creators does not violate Section 704(d).

Petitioner points (Pet. 10) to language of the secure test regulation, 37 C.F.R. 202.20(c)(2)(vi), stating that the Copyright Office "will return *the deposit* to the applicant promptly after the examination," retaining an excerpt sufficient to identify the work as an "*archival record of the deposit*" (emphasis added). Petitioner apparently infers from the language of the regulation that the entire work submitted initially to the Register is actually the deposit subject to 17 U.S.C. 704(d) and that retention of the identifying excerpt of that work accordingly does not satisfy the statutory mandate. But this interpretation, by pulling isolated words out of context, distorts the Register's intent in promulgating the secure test regulation. When the pertinent sentence of the regulation (quoted at page 4, *supra*) is read as a whole, it becomes clear that in promulgating the secure test procedure, the Register invoked his authority under 17 U.S.C. 408(c)(1) to treat as a legally sufficient deposit something other than a complete copy of the work. The Register intends that the excerpt described in his regulations as an "archival record of the deposit" serve as the deposit itself.

Even if the regulation were deemed unclear, heavy deference is due the Register's interpretation of his own regulation. See *Udall* v. *Tallman*, 380 U.S. 1, 16-17 (1965). The Register's view that the retained excerpt constitutes the deposit required by the copyright Act is evidenced in the

record of this case by the sample Register's certificate of deposit attached to an excerpt of an MBE examination (Pet. App. A22):

> *THIS IS TO CERTIFY* that the attached reproductions are of the material that was accepted for deposit as a sufficient archival record for the work entitled MULTISTATE BAR EXAMINATION * * *.

Because the Register is entirely free to amend the regulations to foreclose the interpretation advanced by petitioner, no purpose would be served by second-guessing the Register's interpretation of the existing language.[7]

b. Petitioner also seeks support for its contention in the legislative history of Section 408(c) (Pet. 10-13). But the secure test procedure is consistent with the pertinent legislative history. The House Report accompanying the bill that became the Copyright Act explains Section 408(c) as follows:

> Consistent with the principle of administrative flexibility underlying all of the deposit and registration provisions, subsection (c) of section 408 also gives the Register latitude in adjusting the type of material deposited to the needs of the registration system.

H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 153 (1976). The Register determined that, in light of the need for secrecy respecting a secure test, the identification function of the deposit requirement could be served through a

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[7]We note that if, as petitioner argues, the entire text of the exam submitted by the creators of the MBE is the deposit, and the return of that text by the Register violates 17 U.S.C. 704(d), it does not necessarily follow (as petitioner apparently assumes) that the registration of the copyright is invalid. It would seem to follow from petitioner's theory that the Register has wrongfully returned a deposit—not that the nonfederal respondents have failed to make the deposit required to validate registration.

procedure under which the Copyright Office examines a complete copy of the test and then returns it, retaining an identifying excerpt as the deposit.

The extensive passage from the House report quoted by petitioner (Pet. 11) does not support petitioner's contention that the Register lacked authority to accept an excerpt as a deposit of a secure test. Although the examples given suggest that the Register may decide to accept deposit of something less than a complete copy of a work in order to avoid physical storage problems, there is no suggestion that the examples given limit the Register's authority. Permanent deposit in public records of a complete copy of a secure test may be deemed inappropriate simply because of the danger of compromising the test. Moreover, nothing in the legislative history of Section 704(d) shows, as petitioner contends, that Congress wanted to assure that a complete copy of all unpublished works be deposited and maintained in public Copyright Office records. The passages quoted by petitioner (Pet. 12-13) show at most that Congress wished to assure that the deposited material is preserved.

c. Contrary to petitioner's assertion (Pet. 11), the decision in this case effects no revolution in the law of intellectual property. The practical considerations that led to development of the secure test procedure do not have broad application. This case affords no reason for this Court to assume, as petitioner does, that the Register will abuse the authority granted him in 17 U.S.C. 408(c).

2. Petitioner also contends (Pet. 13-17) that the secure test procedure is contrary to Article I, Section 8, Cl. 8 of the Constitution. The court of appeals correctly rejected this claim as wholly unfounded (Pet App. A12-A14). Obviously, the dissenting opinion of Justice Black in *Washington Publishing Co.* v. *Pearson*, 306 U.S. 30, 42 (1939), exploring the purposes of the *statutory* deposit requirement of the 1909 Copyright Act, says nothing about the constitutional

requirements of the Copyright Clause of Article I, Section 8. That clause merely permits Congress to

> promote the Progress of Science and useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

The Copyright Clause does not dictate the details of the system to be prescribed by Congress. Nor does it suggest in any respect that the Copyright Office must retain in its public files a complete copy of every work registered. To the contrary, the secure test procedure "promote[s] the * * * useful Arts" by affording needed confidentiality to examination questions and answers.

3. The court of appeals held that a live controversy remained in this case notwithstanding the non-federal respondents' abandonment of their claim of copyright infringement (Pet. App. A7-A8). Even assuming that the court correctly rejected the non-federal respondents' suggestion of mootness and that petitioner may continue to litigate the validity of the MBE copyright registrations, it remains uncertain whether petitioner will in the future be affected by the court of appeals' decision, for in the non-federal respondents' view, petitioner had ceased its infringing activities (see pages 5-6, *supra*). In these circumstances, further review would be unwarranted even if petitioner's legal submission were more persuasive.[8]

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[8]The court of appeals assumed without deciding (Pet. App. A14 n.8) that the MBE is an unpublished work for purposes of the Copyright Act. Contrary to the court of appeals' implication (*ibid.*), the government took no position on that issue. The non-federal respondents argued that the MBE was a published work. If that were determined to be correct, the secure test procedure as applied could be upheld on an alternative basis—*i.e.*, as an exercise of the Register's discretion to determine that a particular deposit of a published work does not warrant retention. See pages 2-3, *supra*. Thus petitioner would not necessarily prevail in this action even if it were to succeed in its present contention.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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